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VIDEO: Governor Charlie Baker Speaks at Health Policy Commission's 7th Annual Cost Trends Hearing

Discusses Health Care Legislation Aimed at Addressing Key Challenges



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[Video courtesy Health Policy Commission & Suffolk University]

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BOSTON – Today, at the Health Policy Commission's 7th Annual Cost Trends Hearing, Governor Charlie Baker discussed the Administration's [comprehensive health care legislation](#) to improve outcomes for patients, increase access to care and bring down costs.

Remarks as prepared for delivery:

“Thank you Madame Secretary for that introduction.

“And thanks to Ray Campbell for his leadership in ensuring CHIA continues to achieve its vital mission: to serve a unique role as the hub of information and analysis about the Massachusetts health care system.

“And my appreciation to our colleagues at the Health Policy Commission, specifically Stuart Altman who I know wishes he could join us today, Marty Cohen, and the entire board, David Seltz and staff for having me here today.

“The Cost Trends Hearings are an opportunity to convene health care leaders, policy makers, and experts to discuss challenges and opportunities in improving care and reducing costs in the Commonwealth.

“Our administration is committed to serving as a partner in advancing your mission to advance a more transparent, accountable, and innovative health care system.

“As I’m sure you saw, last week we filed comprehensive legislation aimed at achieving those goals.

“For the past 50 years, the US health care system has been focused primarily on promoting and supporting the technological advancement of medicine.

“That focus has cured disease, enhanced therapies, and saved lives. However, we have failed to appreciate the changing nature of illness, and the systemic gaps in care delivery that have been created by this approach.

“One need look no further than the opioid epidemic to understand what we have missed.

“The overprescribing of addictive and potentially deadly pain medication, brought on by a system in which it is more financially beneficial to write a prescription than it is to provide supportive and sustained therapy, created an addiction epidemic of gargantuan proportions.

“While many would argue that the fundamental problems with our health care system are rooted in some provider organizations being paid too much, and others being paid too little, we argue the problem is more fundamental than that.

“Our health care system rewards those providers that invest in technology and transactional specialty services, at the expense of those that choose to invest in primary care, geriatrics, addiction services and behavioral health care.

“This is problematic for three reasons:

“First, the nature of illness is changing. Chronic illnesses are far more prevalent than they used to be, in part because of the success of modern medicine in solving many acute illnesses over the past five decades.

“Second, we are an aging population. Many of us who live to an age where brain diseases are far more common, again in part because of our success in treating disease.

“Third, for a variety of clinical and sociological reasons, mental health, addiction and behavioral health issues are far more challenging than they were in the past, and we increasingly recognize how they are intertwined with physical illnesses.

“Meanwhile, the primary care shortage that was identified over 30 years ago has gotten worse.

“Simply put, the care delivery and financing system we have today is not designed to take care of the people and the patients we have become.

“We pay for a system that is built on transactions and technological advances, not on collaborative care delivery and/or therapeutic support.

“While technological advances remain a critical component of delivering effective health care, a 21st century health system should presume that collaboration and time are at least as important as technology, and that for many people, physical and mental health are related.

“It should reward providers and provider organizations that invest in a comprehensive set of physical and behavioral health services, and understand that population based health management requires time and connection.

“Solving this problem at the state level is complicated by the overarching role played by public and private national payors in health care in this country.

“For the most part, national payors, including Medicare, use payment policies that favor technology and transactional medicine at the expense of primary care, mental and behavioral health and addiction services, and geriatrics.

“Almost all providers and payors build their financial models and their operations using the Medicare fee schedule as their baseline. This makes any decision to deviate from that model – for example, to offer more mental health services – extremely hard to do.

“Federal policy and research funding also drive provider organizations to focus on specialty services and care, instead of on addiction, mental or behavioral health, primary care or geriatrics. This makes it financially difficult for any care delivery organization to double down in the areas where the greatest gaps in the existing care delivery system exist.

“The legislation we filed on Friday is designed to create positive financial incentives for health care providers and payors to rethink their service delivery and investment decisions.

“This bill encourages providers and payors to invest in the behavioral health, addiction, recovery, primary care and geriatric services that are underfunded by today’s payment models and incorporate these services more directly into care delivery strategies.

“Our legislation targets those challenges by requiring investments in behavioral and primary care and establishing a statewide spending target.

“Providers and insurers, including MassHealth, will be required to increase spending on behavioral health and primary care by 30% over three years.

“Calendar year 2019 spending will serve as the baseline, and providers and insurers will be measured on their performance in calendar year 2023.

“Providers and insurers will be required to report annual progress through the frameworks that involve our partners at the HPC and CHIA.

“If the target is not achieved, providers and insurers will be referred by CHIA to the HPC and may be subject to a performance improvement plan which may require them to identify strategies to increase investments in primary care and behavioral health.

“The legislation proposes these increased investments in primary care and behavioral health while requiring overall spending to stay within the parameters of the state’s overall health care cost growth benchmark, understanding the importance of the process that exists here that continues to control costs on a global basis.

“This will be a break from the trajectory of the past several decades and may cause some modest disruptions. But it is the right direction for our payment systems and providers if we want to create a payment and care delivery model that serves our people in a cost-effective way.

“Our bill also builds on the foundation laid by the 2012 cost containment legislation. As we heard earlier, recent efforts have yielded moderate success in bending the cost growth curve.

“However, rising health care costs disproportionately affect individuals and employers, as increases in premiums and cost-sharing continue to outpace overall expenditures.

“To address year-over-year increases in pharmacy spend, the legislation seeks to: (1) hold high-cost drug manufacturers accountable through a similar HPC framework for payors/providers who exceed the benchmark; (2) penalize manufacturers for excessive price increases; and (3) establish new oversight authority of pharmacy benefit managers.

“The bill also includes several consumer protections and measures to reduce consumers’ out-of-pocket costs, including prohibitions on surprise billing practices and facility fees, and reforms promoting access to more affordable, innovative health plans for individuals and employers, alike.

“The bill also requires accurate provider directories for consumers to secure behavioral health appointments and for pharmacists to always offer the lowest cost for a prescription.

“Further, a stable and affordable insurance market is key to maintaining our near-universal coverage levels and a well-functioning health care system.

“To address many of the emerging federal policy changes and dynamics that may impact the Massachusetts merged market, last Friday I also signed an executive order establishing an advisory council to conduct an independent actuarial analysis of the merged market and provide recommendations by April 30, 2020.

“Finally, this legislation promotes access to quality, coordinated care and modernizes policies to bring Massachusetts in line with other states in areas where we have lagged.

“These measures include: removing outdated practice restrictions for mid-level clinicians, creating a new mid-level dental therapist, standardizing urgent care services and advancing telemedicine through aligned regulatory and coverage policies.

“Managing excess costs and promoting increased access to vital services will support the recalibration of our health care financing and delivery system towards a model that values time and positive outcomes and meets the evolving needs of our patient population.

“Many of the reforms we propose will also reduce costs – including to patients and small businesses – while maintaining the quality of care the people of Massachusetts deserve.

“We’re grateful for the opportunity to collaborate with the HPC and look forward to a productive dialogue with you and our legislative partners as the conversation on this bill moves forward.

“Thank you.”

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